

May 14, 2008

TO: ALL STATE AGENCIES, SCHOOL DISTRICTS, MUNICIPALITIES, VOLUNTEER
FIRE COMPANIES AND POLITICAL SUBDIVISIONS

FROM: ROXANN M. PARKER
STATE CONTRACT PROCUREMENT OFFICER

SUBJECT: AWARD NOTICE - CONTRACT NO. 07-411-RP
AUTOMATED EXTERNAL DEFIBRILLATORS

ADDENDUM #3

The purpose of this addendum is to advise users that Medtronic Physio Control Inc. has provided an update on the status of the voluntary "Stop Ship". Medtronic Physio Control, Inc. can now allow shipment of Lifepak 1000, Lifepak 500 Replacements and Lifepak CR Plus/ Express AED's.

The details are in the attached letter dated May 1, 2008.

Medtronic Physio Control has also authorized School Health Corp. to accept orders on their behalf under this contract. Contact information for School Health Corp is:

School Health Corporation
865 Muirfield Dr.
Hanover Park, IL 60133
Attn: Rob Rogers
rrogers@schoolhealth.com
Phone: 866-323-5465

All other terms and conditions remain the same.

If you have any questions, please contact me at 857-4555.

07411AN3



Physio-Control, Inc.
11811 Willows Road NE, P.O. Box 97005, Redmond, WA 98052
Tel 425.867.4000 Toll-free 800.442.1142
www.physio-control.com

May 1, 2008

Dear Customers and Partners of Physio-Control:

Physio-Control has always taken great pride in our relationship with our customers. A key part of that relationship is consistent, open and candid communication. As such, we have some important news to share with you regarding our continued progress toward resumption of full shipments.

On Monday, April 28, 2008, we announced that we entered into an agreement, called a consent decree, with the U.S. Food and Drug Administration (FDA). A consent decree is a common regulatory tool used by the FDA to ensure a company is addressing the Agency's concerns related to its quality systems. It is a legal document, filed in a federal court, and outlines the additional actions Physio-Control must take before we are permitted to resume unrestricted distribution of our LIFEPAK® defibrillator/monitors. Over the preceding months, Physio-Control has completed a substantial portion of the requirements and we are pleased to reach this stage of the process. The additional steps necessary to resume unrestricted distribution are well defined and we are working with the Agency to expedite completion.

Under Paragraph 5 of the agreement, Physio-Control is permitted to make a limited selection of product available to meet the most critical needs of emergency response customers. As you may recall, in August 2007, Physio-Control voluntarily began this process in the United States. However, under the terms of the agreement, these limited exceptions will now apply worldwide. This provision will ensure that emergency care providers can continue to support the needs of public health and safety, while allowing Physio-Control to continue progress on the improvement of its quality system processes.

We wanted to share this news with you as soon as possible, however, no action is required on your part. Be assured that Physio-Control products can and should continue to be used for patient care. This agreement does not reflect any specific product reliability or safety concerns with LIFEPAK products. Physio-Control will continue to provide service, disposables and accessories to our customers. We will also continue to work with our customers to support currently implemented AED Programs.

During the last year, we have made significant investments and improvements to our quality system that have moved us closer to our objectives. We are confident in our ability to make the final necessary improvements and updates to our quality system in a timely manner. We have the right people in the organization to execute to the plan and we are optimistic that these final efforts will be completed in the near future.

For 53 years, the LIFEPAK name has been synonymous with dependable and rugged defibrillator/monitors. Over the past year I have spoken with many customers around the world who have told me their confidence in our products remains strong. Our customers trust our products because they have experienced LIFEPAK reliability through years of actual field performance. At Physio-Control we are committed to delivering quality products that exceed our customers' expectations. We know that when LIFEPAK defibrillators are used, a great deal is at stake—our products help lifesaving teams do their jobs. We believe nothing is more important.

As we work to fulfill our final obligations with the FDA, we are completely committed to serving our customers. We will continue to keep you informed as we work towards resuming full product shipments worldwide.

If you have additional questions or concerns about your Physio-Control products, or need additional information regarding limited shipment criteria, feel free to direct your questions to your regional Physio-Control account representative. We are here to support you.

Best regards,

Brian Webster
President
Physio-Control, Inc.